

Quick Commercial DD of A Logistics Start-up (S)

Logistics

REGION

India

CONSULTING SERVICES

Market assessment, new product conceptualization, new product design & features inputs

CLIENT SITUATION

- The client – a leading electric two wheeler company was considering an investment into a logistics start-up and an external party to conduct a strategic diligence on whether the investment was profitable. Avalon was invited to conduct this quick due diligence to help them take the investment decision

OUR APPROACH

- Discussion of the business model of the start-up with the promoters
- Validation of key business model assumptions through primary and secondary sources
- Identification of synergies with current business of client through a set of discussions with the client
- Revising the business model using the above inputs and forecasting scenarios for the business
- Analysing possible return of investment scenarios at various investment levels using proprietary techniques
- Arrival at recommendations to maximize value for our client

OUR RECOMMENDATION/IMPACT

- The business model was found to be viable
- There was considerable strategic advantage for our client – in terms of upside of investment as well as synergies with existing business
- Avalon gave firm recommendations on the value of the investment, the stake the client should acquire and the investment horizon
- It was decided that the investment would be as a mixture of cash & in kind